



ELECTRIC UTILITY COMMISSION
REGULAR MEETING MINUTES – Approved 05/21/2012
APRIL 16, 2012

The Electric Utility Commission (EUC) convened in a regular meeting in the Shudde Fath Conference Room at 721 Barton Springs Road in Austin, Texas.

1. **CALL TO ORDER** – Phillip Schmandt called the meeting to order at 6:00 p.m.
Commissioners in attendance: Phillip Schmandt, Chair; Linda Shaw, Vice Chair; Gary ‘Bernie’ Bernfeld, Barbara Day, Shudde Fath and Stephen Smaha. Dr. Michael Webber was not present at the Call to Order, but arrived after approval of consent items.
Staff in attendance: Larry Weis, Cheryl Mele, Kerry Overton, Mark Dreyfus, Steve Machicek, Jeff Vice, Pat Alba, Alan Claypool, Fred Yebra, Scott Jarman, Stephen Leinweber and Toye Goodson-Collins of Austin Energy, and Rosemary Ledesma of the Purchasing Department.
2. **APPROVAL OF MINUTES** – **Motion to approve minutes of the March 19, 2012 regular meeting by Commissioner Fath, seconded by Vice Chair Shaw, passed on a vote of 5-0-1, with Commissioner Day abstaining due to her absence at that meeting.**
3. **CITIZEN COMMUNICATIONS: GENERAL**
There were no speakers.

NEW BUSINESS – CONSENT ITEMS

4. Authorize award and execution of a 12-month requirements supply contract with CAPITOL SCIENTIFIC, INC. for laboratory chemicals and supplies to be used in the operation of Austin Energy Lab Services in an estimated amount not to exceed \$40,000, with four 12-month extension options in an estimated amount not to exceed \$40,000 per extension option, for a total estimated contract amount not to exceed \$200,000. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
5. Authorize award and execution of a 24-month requirements supply contract with OLDCASTLE APG TEXAS, INC. DBA CUSTOM CRETE for the purchase of ready-mix concrete for use by Austin Energy for electrical installation and maintenance projects in an estimated amount not to exceed \$1,166,560, with three 12-month extension options in an estimated amount not to exceed \$583,280 per extension option, for a total estimated contract amount not to exceed \$2,916,400. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
6. Authorize award and execution of a 36-month requirements service contract with ASPLUNDH TREE EXPERT CO. for transmission utility line clearance services in an estimated amount not to exceed \$6,000,000, with two 12-month extension options in an estimated amount not to exceed \$2,000,000 per extension option, for a total estimated contract amount not to exceed \$10,000,000. **Items 6 and 7 were considered together. Motion to approve, with the caveat that staff prepare a proposal for a new fee structure for customers requesting higher levels of service (during the line clearance/tree trimming process), by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 4-3 with Vice Chair Shaw and Commissioners Bernfeld and Fath voting no. A**

substitute motion by Commissioner Bernfeld to approve the item as proposed was not considered.

7. Authorize award and execution of a 36-month requirements service contract with ASPLUNDH TREE EXPERT CO. and WRIGHT TREE SERVICE, INC. for distribution utility line clearance services in an estimated amount not to exceed \$48,000,000, with two 12-month extension options in an estimated amount not to exceed \$16,000,000 per extension option, for a total estimated contract amount not to exceed \$80,000,000. **Items 6 and 7 were considered together. Motion to approve, with the caveat that staff prepare a proposal for a new fee structure for customers requesting higher levels of service (during the line clearance/tree trimming process), by Chair Schmandt, seconded by Commissioner Webber, passed on a vote of 4-3 with Vice Chair Shaw and Commissioners Bernfeld and Fath voting no. A substitute motion by Commissioner Bernfeld to approve the item as proposed was not considered.**
8. Authorize award, negotiation, and execution of Amendment No. 3 to the contract with SCHNEIDER ELECTRIC USA, INC. dba SQUARE D COMPANY, to expand the existing Energy Profiler Online (EPO) web portal to include the Load Curtailment module for Austin Energy and increase the contract in an estimated amount not to exceed \$109,000 for the current option and in an estimated amount not to exceed \$25,800 for each of the three remaining options, for a total estimated contract amount not to exceed \$861,484. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 7-0.**
9. Approve issuance of a rebate to Northland Investment Corporation for performing duct diagnostic and improvements at Madison at Stone Creek Apartments in an amount not to exceed \$79,473. **Motion to approve on consent by Chair Schmandt, seconded by Commissioner Bernfeld, passed on a vote of 6-0.**
10. Authorize award and execution of Amendments to three requirements service contracts with AMERICAN FACILITY SERVICES to allow for the continuation of janitorial services for Austin Energy's various locations on a month to month basis for a maximum of 12 months. First contract to increase the current contract in an estimated amount not to exceed \$352,200, for a total revised estimated amount not to exceed \$1,987,948; second contract to increase the current contract in an estimated amount not to exceed \$110,200, for a total revised estimated amount not to exceed \$613,861 and third contract to increase the current contract in an estimated amount not to exceed \$141,000, for a total revised estimated amount not to exceed \$686,008. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 7-0.**
11. Authorize award and execution of Amendment No. 1 to a contract through the Cooperative Purchasing Network (TCPN) with GRAINGER, INC., for industrial supplies and equipment to increase the current contract term (extension option two) in an estimated amount not to exceed \$1,400,000, and increase extension options three and four in estimated amounts not to exceed \$3,149,250 and \$3,212,235 respectively, for a revised total estimated contract amount not to exceed \$11,558,361. **Commissioner Day requested additional information regarding items 11, 12 and 13—proposed Purchasing contracts shared among City departments. Following discussion of how the departments' shares are determined, the items were approved. Staff will continue to provide additional data on such items in**

agenda backup. Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 7-0.

12. Authorize award and execution of a 26-month requirements supply contract through National Joint Powers Alliance (NJPA) with Staples Contract & Commercial, Inc., for purchase of office supplies, in an amount not to exceed \$5,750,000. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 7-0.**
13. Authorize Amendment No. 6 to a contract with SUMMUS INDUSTRIES, INC., (MBE/MB) for a Microsoft Enterprise License Agreement to add \$203,079 for a Department of Information Resources (DIR) contract increase, \$506,840 for additional requested Microsoft products for the current fiscal year, and \$2,557,979 in contingency spending authority for annual license true up for the remaining four years of the contract period, for a total amendment amount not to exceed \$3,267,898, for a total contract amount not to exceed \$18,865,334. **Motion to approve by Chair Schmandt, seconded by Commissioner Smaha, passed on a vote of 7-0.**

Commissioners requested that staff provide the Financial Report (Item 15 on the agenda) as the next order of business.

STAFF REPORTS AND BRIEFINGS

15. Financial Report by Steve Machicek, Director, Corporate Accounting & Rates. At Commissioner Day's request, data regarding fuel over and under recovery will be added to future reports.

NEW BUSINESS – DISCUSSION ITEMS

14. Discussion and possible action regarding relocation of Law Department staff – Commissioner Fath called a Point of Order stating that discussion of another department was beyond the Commission's purview. Chair Schmandt and Commissioners Webber and Smaha explained their concern was that of a funding issue in that Austin Energy pays staff salaries but has no oversight. General Manager Larry Weis explained that attorneys previously housed at Austin Energy had always been staff members of the Law Department. He offered to report back in a few months regarding the new arrangement. Commissioners requested that this issue be revisited in six months.

STAFF REPORTS AND BRIEFINGS (continued)

16. Rate Review Update by Larry Weis, General Manager. Commissioners suggested that staff provide a Lessons Learned report on the rate review in about six months.

FUTURE AGENDA ITEMS

17. Request agenda items including information related to the Upcoming Procurements Report – Commissioner Day expressed concern with the lack of oversight regarding Austin Energy's fuel reconciliation process and suggested a discussion item on the topic.
18. **ADJOURN** – Chair Schmandt adjourned the meeting at 7:50 p.m. without objection.